

AMENDED IN ASSEMBLY APRIL 24, 2014

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 2068**

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**Introduced by Assembly Member Nazarian**

February 20, 2014

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An act to amend Sections 5360 and 5391 of the Public Utilities Code, relating to transportation.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2068, as amended, Nazarian. Charter-party carriers of passengers.

The Passenger Charter-party Carriers' Act, with certain exceptions, prohibits a charter-party carrier of passengers from engaging in transportation services subject to regulation by the Public Utilities Commission without obtaining a specified certificate or permit, as appropriate, from the commission, and imposes various other requirements. Existing law establishes various exclusions to the act. Pursuant to existing law, the commission rendered a decision relating to public safety risks in the operation of transportation network companies and defined a transportation network company as an organization that provides prearranged transportation services for compensation using an online-enabled platform to connect passengers with drivers using their personal vehicles.

This bill would specifically include within the definition of charter-party carrier of passengers a person that uses an online-enabled application or platform to connect passengers with drivers.

Existing law requires the commission to require charter-party carriers of passengers to procure and continue in effect adequate assurances of protection against liability, as specified.

This bill would specify that the assurances against protection against liability shall be primary. *The bill would require the commission to develop a standard disclosure agreement with specified insurance disclosures, and would require the agreement to be included in a written agreement between drivers and charter-party carriers of passengers that use an online-enabled application or platform to connect passengers with drivers, and to be signed by those drivers. The bill would provide that the disclosure agreement records of a charter-party carrier of passengers are subject to review and audit by the commission.*

Existing law provides that a violation of the provisions governing charter-party carriers of passengers and of associated regulations adopted by the commission is a crime.

This bill would revise the definition of a crime, thereby imposing a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 5360 of the Public Utilities Code is  
2     amended to read:  
3     5360. Subject to the exclusions of Section 5353, “charter-party  
4     carrier of passengers” means every person engaged in the  
5     transportation of persons by motor vehicle for compensation,  
6     whether in common or contract carriage, over any public highway  
7     in this state, and includes a person that uses an online-enabled  
8     application or platform to connect passengers with drivers.  
9     “Charter-party carrier of passengers” includes any person,  
10    corporation, or other entity engaged in the provision of a hired  
11    driver service when a rented motor vehicle is being operated by a  
12    hired driver.

1 SEC. 2. Section 5391 of the Public Utilities Code is amended  
2 to read:

3 5391. (a) The commission shall, in granting permits or a  
4 certificate pursuant to this chapter, require the charter-party carrier  
5 of passengers to procure, and to continue in effect during the life  
6 of the permit or certificate, adequate protection against liability  
7 imposed by law upon the charter-party carrier of passengers for  
8 the payment of damages for personal bodily injuries, including  
9 death resulting therefrom, protection against a total liability of the  
10 charter-party carrier of passengers on account of bodily injuries  
11 to, or death of, more than one person as a result of any one accident,  
12 and protection against damage or destruction of property. The  
13 requirements for such assurances of protection against liability  
14 shall be primary. The minimum requirements for such assurances  
15 of protection against liability shall not be less than the requirements  
16 ~~which~~ *that* are applicable to operations conducted under certificates  
17 of public convenience and necessity issued pursuant to the  
18 provisions of Article 2 (commencing with Section 1031) of Chapter  
19 5 of Part 1 of Division 1, and the rules and regulations prescribed  
20 pursuant thereto shall apply to charter-party carriers of passengers.

21 (b) *The commission shall develop a standard disclosure*  
22 *agreement with respect to drivers who make themselves available*  
23 *for services with charter-party carriers of passengers that utilize*  
24 *an online-enabled application or platform to connect passengers*  
25 *with drivers. The standard disclosure agreement shall be part of*  
26 *a written agreement between drivers and those charter-party*  
27 *carriers of passengers, and shall provide information to drivers*  
28 *about insurance coverage and limits of liability coverage and*  
29 *advise drivers that their personal automobile insurance policy*  
30 *may not provide coverage when they are operating a vehicle as*  
31 *part of that charter-party carrier of passengers operation. The*  
32 *standard disclosure agreement shall be in writing and shall be*  
33 *signed by each driver participating in this type of arrangement*  
34 *with a charter-party carrier of passengers. Standard disclosure*  
35 *agreement records of charter-party carriers of passengers shall*  
36 *be subject to review and audit by the commission at its discretion.*

37 SEC. 3. No reimbursement is required by this act pursuant to  
38 Section 6 of Article XIII B of the California Constitution because  
39 the only costs that may be incurred by a local agency or school  
40 district will be incurred because this act creates a new crime or

1   infraction, eliminates a crime or infraction, or changes the penalty  
2   for a crime or infraction, within the meaning of Section 17556 of  
3   the Government Code, or changes the definition of a crime within  
4   the meaning of Section 6 of Article XIII B of the California  
5   Constitution.

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